

FILED

OCT 05 2016

SECRETARY, BOARD OF
OIL, GAS & MINING

**BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH**

IN THE MATTER OF THE REQUEST FOR AGENCY ACTION OF AXIA ENERGY II, LLC FOR AN ORDER MODIFYING THE BOARD'S ORDERS ENTERED IN CAUSE NOS. 131-14, 139-42, 139-90 TO ESTABLISH 1,280-ACRE (OR SUBSTANTIAL EQUIVALENT) DRILLING UNITS FOR THE PRODUCTION OF OIL, GAS AND ASSOCIATED HYDROCARBONS FROM THE LOWER GREEN RIVER-WASATCH (COLTON) FORMATIONS, COMPRISED OF SECTIONS 25 THROUGH 36 OF TOWNSHIP 2 SOUTH, RANGE 2 WEST, USM AND SECTIONS 25 THROUGH 28 AND 33 THROUGH 36, OF TOWNSHIP 2 SOUTH, RANGE 3 WEST, USM, ALL IN DUCHESNE COUNTY, UTAH

**OBJECTION TO PORTIONS OF EP
ENERGY E&P COMPANY, L.P.'S
RESPONSE TO AXIA'S EXHIBIT
AB**

Docket No. 2016-018

Cause No. 139-140

COMES NOW, Axia Energy II, LLC ("Axia"), by and through its counsel of record, Beatty & Wozniak, P.C., and hereby objects to portions of EP Energy E&P Company, L.P.'s ("EP's") Response to Axia Exhibit AB, filed on October 5, 2016 ("EP's Exhibit Response") and requests the Board of Oil, Gas and Mining (the "Board") strike the offending portions from EP's Exhibit Response or causes EP to file an amended exhibit response without the offending portions.

Axia understands that EP should be given an opportunity to respond to Axia's Exhibit "AB" after having time to review the same. Exhibit "AB" was not filed prior to the hearing on September 28, 2016, but a decision was made that since Axia was going to testify to the matters which ended up in Exhibit "AB," an exhibit was prepared and presented at the hearing

to illustrate Axia's testimony relating to the same. Therefore, at the hearing Axia agreed to allow additional time for EP to review and file a written response to Exhibit "AB" as was requested by EP at the hearing. Axia believes and understood that any written response would relate only to Exhibit "AB" and not be an additional opportunity for EP to reiterate unrelated arguments and conclusions, giving EP an extra opportunity to sway the Board's decision one week after the hearing. However, portions of EP's response are unrelated to Exhibit "AB" and are merely an attempt by EP to get its primary arguments and conclusions before the Board one last time without Axia having an equal opportunity to do the same. In effect, whether the offending portions are stricken from EP's Exhibit Response or not, EP has already succeeded in getting unrelated arguments before the Board one last time by using this tactic. Nevertheless, EP should not be permitted to keep these unrelated "responses" in the official record.

More specifically, Paragraph 1 of EP's Exhibit Response discusses EP's contention that Axia's Amended and Restated Request for Agency Action (the "RAA") is not supported by reliable data, is without data from a representative pilot and reiterates EP's contention that "the State of Utah, Board of Oil, Gas and Mining ("Board") should deny Axia's request until such time as Axia can complete a full development (32 LLHW) pilot program on the lands covered by Axia's Request for Agency Action in Docket No. 139-138, thus allowing Axia to gather enough actual well data to justify further displacing the well spacing pattern and setbacks in

existence on the RAA lands.” The only connection this comment and Paragraph 1 have to Exhibit “AB” is that EP already set forth this contention at the hearing and Exhibit “AB” was also discussed at the hearing so it is somehow related to the exhibit.

Axia has similar concerns with the final two paragraphs of EP’s Exhibit Response, Paragraphs 7 and 8. While Paragraph 7 begins with “[i]n Exhibit “AB,”” the argument then devolves into a discussion about whether or not Newfield “technically” supports Axia’s RAA. EP’s discussion of this issue was brought up at the hearing but this does not relate to Exhibit “AB,” nor does EP’s discussion of amount of ownership within the Subject Lands which is brought up in Paragraph 7 as well. Exhibit “AB” neither references the amount of ownership in the subject lands nor Newfield’s support of Axia’s request. Admittedly, the exhibit contains a reference to Newfield, but only in the context of Newfield’s experience with drilling horizontal wells adjacent to the subject lands.

Finally, while the first sentence of Paragraph 8 relates to Exhibit “AB,” the remainder of the paragraph does not and is an attempt to once again bring in EP’s other arguments brought up at the hearing but which are unrelated to Exhibit “AB.” Therefore, Axia respectfully requests that the following be stricken from EP’s Exhibit Response or that based on Axia’s objections to the same, EP be required to file an amended exhibit response:

- All of Paragraph 1
- All of Paragraph 7 after the first sentence

- All of Paragraph 8 after the first sentence

Respectfully submitted this 5th day of October, 2016.

BEATTY & WOZNAK, P.C.

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CERTIFICATE OF SERVICE

I hereby certify that, on this 5th day of October, 2016, I caused a true and correct copy of the foregoing **OBJECTION TO PORTIONS OF EP ENERGY E&P COMPANY, L.P.'S RESPONSE TO AXIA'S EXHIBIT AB** to be sent electronically, via e-mail to:

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